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TOWNSEND and TOWNSEND and CREW LLP

By:


Patricia A. Diehl

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of:

Ayman Hammad et al.

Application No.: 10/676,848

Filed: September 30, 2003

For: METHOD AND SYSTEM FOR
MANAGING CONCURRENT SKU-
BASED REWARDS PROGRAM

Confirmation No. 3759

Examiner: Daniel Lastra

Technology Center/Art Unit: 3688

APPELLANTS' BRIEF UNDER
37 CFR §41.37

Mail Stop Appeal Brief
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Commissioner:

Further to the Notice of Appeal filed on October 4, 2010 for the above-referenced application, Appellants submit this Brief on Appeal.

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1. REAL PARTY IN INTEREST

The real party in interest of the subject patent application is Visa U.S.A., Inc., the assignee of the present application.

2. RELATED APPEALS AND INTERFERENCES

There are no related appeals or interferences.

3. STATUS OF CLAIMS

Claims 2, 7-8, 13, 22-23, 30-41, 53-59, 66-67, 70-75, and 80 are canceled. Claims 1, 3-6, 9-12, 14-21, 24-29, 42-52, 60-65, 68-69, 76-79, and 81-82 are rejected, and the rejection thereof is being appealed.

4. STATUS OF AMENDMENTS

No amendments after the final Office Action mailed on July 6, 2010, have been filed.

5. SUMMARY OF CLAIMED SUBJECT MATTER

In the following summary, Appellants have provided exemplary references to sections of the specification and drawings supporting the subject matter defined in the claims as required by 37 C.F.R. § 41.37. The specification and drawings also include additional support for other exemplary embodiments encompassed by the claimed subject matter. Thus, these references are only intended to be illustrative and not restrictive.

Multiple offers for the same product may create conflicts that require complex decisions when there exists more than one outcome based upon the available incentives (paragraph [0003]). To avoid such complex decisions, sponsors traditionally provide only one incentive per product per time period or rely on a clerk to choose which of multiple incentives to apply. However, a clerk's choice may be arbitrary and may not consider the user preferences and may create user dissatisfaction (paragraph [0003]). By only offering only one incentive per product for the same period, the value of offering incentives is decreased because different users

may respond to different incentives. Sponsors are also not able to test multiple incentives against each other or have the flexibility to introduce multiple incentives for the same product for the same period (paragraph [0004]).

Independent Claim 1

Independent claim 1 describes a method comprising determining a plurality of incentives, using a distribution channel (item 108 of FIG. 1 and paragraph [0029]), that are eligible for application to a transaction (FIG. 4 and paragraph [0064]). The eligibility of each of the plurality of incentives is based on at least one product in the transaction and each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives (paragraphs [0039], [0044]). And at least two of the plurality of incentives are determined using the same product identifier in the transaction (paragraphs [0037]-[0039]). The product identifiers being a stock keeping unit (SKU) (paragraph [0039]). The method further comprises determining, using the distribution channel (item 108 of FIG. 1 and paragraph [0029]), two or more incentives from the plurality of incentives to apply to the transaction (FIG. 4 and paragraph [0044]). The determining of the two or more incentives to apply to the transaction also determines an incentive parameter for each of the determined two or more incentives and uses the incentives parameters to determine how the determined two or more incentives are to be applied to the transaction, the incentive parameters comprising information indicating if an incentive is redeemable in the transaction with another incentive (paragraphs [0040], [0045]-[0049]). The method further comprising applying, using the distribution channel (FIG. 4 and paragraph [0064]), the determined two or more incentives to the transaction (item 410 of FIG. 4 and paragraph [0054]). The distribution channel also operates in an offline manner while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction (paragraph [0029]).

Dependent Claim 6

Dependent claim 3 depends from independent claim 1 and further recites communicating with a portable consumer device (item 110 of FIG. 1 and paragraph [0033]) to

determine portable device information wherein determining the plurality of incentives comprises using the portable device information to determine the plurality of incentives eligible for application to the transaction (paragraph [0034]). Dependent claim 6 depends from dependent claim 3, and further recites updating the portable device information in the portable consumer device to indicate that the determined two or more incentives have been applied to the transaction (paragraph [0056]).

Independent Claim 12

Independent claim 12 describes a method comprising determining, using a distribution channel (item 108 of FIG. 1 and paragraph [0029]), a plurality of incentives that are eligible for a loyalty transaction (FIG. 4 and paragraph [0064]). The eligibility of each of the plurality of incentives is determined based on at least one product in the transaction and each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives (paragraphs [0039], [0044]). And at least two of the plurality of incentives are determined using the same product identifier (paragraphs [0037]-[0039]). The product identifiers being a stock keeping unit (paragraph [0039]). The method further comprising calculating an incentive value for each of the plurality of incentives using the distribution channel (item 502 of FIG. 5 and paragraph [0069]). The method further comprising determining, using the distribution channel (item 108 of FIG. 1 and paragraph [0029]), two or more incentives from the plurality of incentives to apply to the loyalty transaction based on the calculated incentive values for each of the plurality of incentives (FIG. 5 and paragraphs [0069]-[0074]). The determining of the two or more incentives to apply to the loyalty transaction also determines an incentive parameter for each of the determined two or more incentives and uses the incentives parameters to determine how the determined two or more incentives are to be applied to the transaction, the incentive parameters comprising information indicating if an incentive is excluded from being redeemed in the transaction with another incentive (paragraphs [0040], [0045]-[0049]). The method further comprising applying, using the distribution channel (item 108 of FIG. 1), the determined two or more incentives to the loyalty transaction (item 410 of FIG. 4 and paragraph [0054]). The distribution channel also operating in an offline manner

while determining the plurality of incentives, calculating the incentive value, determining the two or more incentives, and applying the determined two or more incentives to the transaction (paragraph [0029]).

Independent Claim 21

Independent claim 21 describes a method comprising communicating with a portable device (item 110 of FIG. 1 and paragraph [0033]) to conduct a loyalty transaction, the loyalty transaction involving at least one product having a product identifier (paragraph [0062]-[0063]). The method further comprising determining portable device information for the portable device (paragraph [0063]). The method further comprising determining a plurality of incentives that are eligible for the loyalty transaction, the eligible incentives determined based on the product identifier and the portable device information (FIG. 4 and paragraph [0064]). Where at least two of the plurality of incentives are determined using the same product identifier (paragraphs [0037]-[0039]). Wherein the product identifier is a stock keeping unit (paragraph [0039]). The method further comprising determining two or more incentives from the plurality of incentives to apply to the loyalty transaction (FIG. 6 and paragraphs [0075]-[0083]). The determining of the two or more incentives to apply also determines an incentive parameter for each of the determined two or more incentives and uses the incentives parameters to determine how the determined two or more incentives are to be applied to the transactions, the incentive parameters comprising information indicating if an incentive is excluded from being redeemed in the transaction with another incentive (paragraphs [0040] , [0045]-[0049]). The method further comprising applying the determined two or more incentives to the loyalty transaction (item 410 of FIG. 4 and paragraph [0054]). The distribution channel also operates in an offline manner while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction (paragraph [0029]).

Independent Claim 42

Independent claim 42 describes a device for determining two or more incentives to apply to a loyalty transaction (item 108 of FIG. 2 and paragraph [0041]). The device further comprising a communicator configured to receive a request to process a loyalty transaction involving at least one product associated with a product identifier (item 202 of FIG. 2 and paragraphs [0042]-[0043]). The device further comprising a program determiner configured to determine a plurality of incentives that are eligible for application to the loyalty transaction (item 204 of FIG. 2 and paragraph [0045]). The eligibility of each of the plurality of incentives is based on at least one product identifier in the loyalty transaction and each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives (paragraphs [0039]-[0044]). Wherein at least two of the plurality of incentives are determined using the same product identifier in the loyalty transaction (paragraph [0037]). Wherein the product identifier is a stock keeping unit (paragraph [0039]). The device further comprising an incentive selector configured to select two or more incentives from the plurality of incentives to apply to the loyalty transaction (item 206 of FIG. 2 and paragraph [0048]). The selection of the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive (paragraphs [0040], [0045]-[0049], [0053]). The device further comprising an incentive applier configured to apply the determined two or more incentives to the loyalty transaction (item 208 of FIG. 2 and paragraph [0054]). The device comprising computer hardware (paragraph [106]) and applies the two or more incentives to the loyalty transaction in an offline manner (paragraph [0029]).

Independent Claim 48

Independent claim 48 describes a system for determining two or more incentives to apply to a loyalty transaction (item 100 of FIG. 1 and paragraph [0024]). The system

comprising one or more portable devices, each portable device including portable device information (item 110 and item 120 of FIG. 1 and paragraphs [0033]-[0034]). The system further comprising one or more distribution channels (item 108 of FIG. 1 and paragraph [0029]). At least one distribution channel comprising a communicator configured to communicate with a portable device in the one or more portable devices for a loyalty transaction involving at least one product associated with a product identifier and to determine portable device information associated with the portable device (item 202 of FIG. 2 and paragraphs [0042]-[0044]). The at least one distribution channel further comprising an incentive selector configured to determine two or more incentives from a plurality of incentives associated with at least one product to apply to the loyalty transaction (item 206 of FIG. 2 and paragraphs [0039], [0044]). Wherein each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives (paragraph [0062]-[0063]), and the two or more incentives determined based on at least one product identifier and the portable device information, wherein at least two of the plurality of incentives are determined using the same product identifier (paragraph [0037]). Wherein the product identifier is a stock keeping unit (paragraph [0039]). The determining of the two or more incentives also comprising determining an incentive parameter for each of the determined two or more incentives and uses the incentives parameters to determine how the determined two or more incentives are to be applied to the transaction, the incentive parameters comprising information indicating if an incentive is excluded from being redeemed in the transaction with another incentive (paragraphs [0040], [0045]-[0049]). The at least one distribution channel further comprising an incentive applier configured to apply the determined two or more incentives to the loyalty transaction (item 208 of FIG. 2 and paragraph [0054]). The distribution channel also operates in an offline manner while determining the two or more incentives and applying the determined two or more incentives to the transaction (paragraph [0029]).

Dependent Claim 81

Dependent claim 81 depends from independent claim 1 and further recites wherein the applying the determined two or more incentives to the transaction applies the two or more incentives to the same product (paragraph [0078]).

6. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The grounds of rejection to be reviewed on appeal are:

Are claims 1, 3-6, 9-12, 14-21, 24-29, 42-52, 60-65, 68-69, 76-79, and 81-82 obvious under 35 U.S.C. § 103(a) over Iannacci (US 2002/0062249) (hereinafter “Iannacci”) in view of Fernandez (US 2001/0016827) (hereinafter “Fernandez”) and further in view of Austin (US 2002/0016827) (hereinafter “Austin”)?

7. ARGUMENT

For purposes of this appeal, Appellants separately argue the patentability of independent claim 1, dependent claim 6, and dependent claim 81. Claims 3-6, 9-12, 14-21, 24-29, 42-52, 60-65, 68-69, 76-79, and 81-82 may stand or fall with respect to independent claim 1. No admissions are made by the groupings of claims, and Appellants reserve the right to pursue any claims that are not specifically argued in the subsequent prosecution of the present application, and in any continuation applications.

I. Rejection of claims 1, 3-6, 9-12, 14-21, 24-29, 42-52, 60-65, 68-69, 76-79, and 81-82 under 35 U.S.C. § 103(a), as being obvious over Iannacci, Fernandez, and Austin

A. Independent Claim 1

Independent claim 1 describes a method for determining, at a distribution channel, two or more incentives to apply to a transaction. Each of the two or more incentives may be identified by a product identifier that is associated with a product in the transaction. Incentives may contain incentive parameters indicating when an incentive may be combined with another incentive. The method may determine eligible incentives and apply the combination of

incentives to the transaction. At pages 2-4 of the final Office Action, the Examiner combines Iannacci, Fernandez, and Austin in rejecting claim 1. However, this rejection is improper, for at least the following reasons.

1. *The cited art does not teach or suggest incentive parameters comprising information indicating if an incentive is redeemable in the transaction with another incentive*

Obviousness has not been established, since all claim limitations are not taught or suggested by the cited art. Neither Iannacci, Fernandez, nor Austin teaches or suggests a method comprising, *inter alia*, “determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprises information indicating if an incentive is redeemable in the transaction with another incentive” (Claim 1). For example, the specification states that incentive parameters may “indicate an order of precedence for redemption of multiple, concurrent incentives... may define specific circumstances when certain incentives will override instructions dictated by other data fields... may indicate whether a specific incentive redemption can be combined with another incentive when multiple incentives are invoked by a single loyalty transaction.” (paragraph [0040]). The incentive parameters thus allows an incentive sponsor greater control over their incentives. For example, an incentive sponsor may define when and how incentives for the same product may be combined in a single transaction.

The Examiner, at page 4 of the final Office Action, cites paragraph 57 of Austin as disclosing “incentive parameters compris[ing] information indicating if an incentive is redeemable in the transaction with another incentive.” However, Appellants respectfully assert that Austin does not disclose this limitation. Austin states:

[0057] In addition, a restaurant may require a certificate to be valid during slower times, such as weeknights and in non-evening hours. Use restrictions may also be applied. For example, a merchant may require that an incentive may not be combined with other sales, promotions, or other incentives.

Austin merely discloses an incentive that may not be combined with any other incentive. Austin does not disclose an incentive redeemable in the transaction with another incentive, nor incentive parameters that comprise information describing when the incentive may be redeemed with another incentive.

As stated in the background section of the specification, it is well known in the prior art to prohibit the combining of incentives, such as in Austin, because of the complexity of determining which combination of incentives to apply. Claim 1 addresses the complexity by determining incentive parameters for each incentive. The incentive parameters comprise information indicating if and how an incentive is redeemable in the transaction with another incentive. These incentive parameters are then analyzed to determine how to apply multiple combined incentives to a transaction. Because Austin only discloses incentives that cannot be redeemed with other incentives, it does not disclose incentive parameters comprising information indicating if an incentive is redeemable in the transaction with another transaction.

The Examiner, at page 3 of the final Office Action, cites paragraph 314 of Iannacci as disclosing “determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction.” Appellants respectfully assert that Iannacci does not disclose this limitation. Iannacci paragraph 314 states:

[0314] Universal Server (in automated processing mode): The payment request is received from the Shaw's Market payment network for \$11.73 and the server authenticates and confirms the user account. The universal server determines that there is available for use a \$1.00 manufacturer discount coupon for the Tide detergent and a twenty-five cent Shaw's discount coupon for the Dole pineapple. The transaction amount is reduced by \$1.25 to produce a \$10.48 net due amount. In addition, Shaw's offers a 10% member loyalty discount if the user has a Shaw's Saver card. The

universal server obtains a Shaw's Saver account for the consumer (i.e., first time use) and applies a 10% discount to the coupon-adjusted amount to produce a \$9.43 net due amount. The consumer prefers to receive the most airline miles and Visa is presently offering 3 miles per dollar, American Express offers 2-for-1, and MasterCard offers 1-for-1. Shaw's will accept payment using a Visa account; therefore, the consumer's Visa account number will be automatically forwarded by the universal server to the conventional payment network for settlement of the \$9.43 net amount due.

The cited paragraph of Iannacci merely describes a transaction where a coupon is applied to buying a detergent, a different coupon is applied to buying a pineapple, and other credit card and store discounts, applicable to a general transaction regardless of the purchased products, are applied. There is no mention of determining incentive parameters for each of the incentives, such as incentive parameters determining whether an incentive could be redeemed with another incentive. Paragraph 314 also does not mention determining how to apply the incentives using the incentive parameters. Thus, Iannacci does not disclose "determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction." As the cited references, either alone or in combination, do not teach or suggest the limitations of claim 1, obviousness has not been established.

2. *The cited art does not teach or suggest each product in the transaction being associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the transaction*

Obviousness has not been established, since all claim limitations are not taught or suggested by the cited art. Neither Iannacci, Fernandez, nor Austin teaches or suggests a method where "each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the transaction" (Claim 1). For example,

paragraph [0094] of the specification recites an incentive #1 and an incentive #3 which are both derived from a product identifier for product X. This illustrates that incentives for the same product may be used together in a transaction, which provides greater flexibility to incentive sponsors and potentially more discounts for incentive users.

The Examiner, at page 3 of the final Office Action, cites paragraphs 235-238, 314, and 334 of Iannacci as disclosing the cited limitation. Appellants respectfully assert that Iannacci does not disclose this limitation. Paragraphs 235-238 disclose example transactions but does not disclose each product being associated with a product identifier and determining incentives using a product identifier. Moreover, the example transactions do not disclose at least two of the plurality of incentives being determined using the same product identifier. For example, the example transaction of paragraph 235-237 discloses awarding points to a person who stays at a Hilton Hotel and points if they sign up for the card, but the points awarded via hotel stay and sign up are not associated with the same product identifier. Similarly, paragraph 238 discusses points received for using various credit cards for a transaction in general, and does not disclose points associated with a product or product identifier. Paragraph 238 also does not disclose at least two of the plurality of incentives being determined using the same product identifier. Paragraph 314 discloses another example transaction where a coupon is applied to purchase detergent, another coupon is applied to purchase a pineapple, and where various discounts and credit card points are applied to the general transaction as a whole. Paragraph 314 thus does not disclose at least two of the plurality of incentives being determined using the same product identifier, since either the incentives are applicable to separate products (pineapple and detergent) or to the general transaction as a whole regardless of what products are purchased (credit card and store discounts). Paragraph 334 discusses generally the advantages of the Iannacci system and does not disclose each product in the transaction being associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the transaction. Thus, Iannacci does not disclose the stated limitation. As the cited references, either alone or in combination, do not teach or suggest the limitations of claim 1, obviousness has not been established.

3. *Obviousness has not been established, since modifying Iannacci with Fernandez would have rendered Iannacci unsuitable for its intended purposes*

Obviousness has not been established, since modifying Iannacci with Fernandez would have rendered Iannacci unsuitable for its intended purpose. If a proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984). MPEP 2143.01. The Examiner argues that Iannacci and Fernandez can be combined to “allow loyalty programs to run in standalone (i.e. offline) point of sale terminals, as taught by Fernandez in order to eliminate the necessity to maintain continuous contact or access between point of sale terminals and a central server when administering a loyalty program.” See page 4 of the final Office Action.

Iannacci requires communication with a central server to access an updated list of valid incentives. The system of Iannacci queries a central server at the time of transaction and the central server analyzes the transaction details and its database of incentives and returns the results to a point of sale device. Iannacci also supports *post hoc* incentives, which are incentives whose terms may be changed after a transaction has completed, and applying such post hoc incentives to a transaction (Iannacci paragraph [0218]). Supporting post hoc incentives requires a centralized server where updates to incentives may be entered and then propagated to various point of sale terminals.

In contrast, the read / write point of sale terminals of Fernandez were designed to operate entirely offline, without a central server altogether (Fernandez, Fig. 1 and paragraphs [0022]-[0025]). Fernandez paragraph 27 states, regarding the read / write point of sale terminals, “online operation is not needed for secure operation” and that online operation is “redundant operation.” The read / write terminals operate without a server because all relevant data is stored on a portable card, where the read / write point of sale terminals merely reads and changes the values stored on the card to effect a transaction. Fernandez provides the example of a Pachinko system, where credits won and spent are stored on smart cards with memories. The read / write

point of sale terminals merely read the smart cards and either deduct or increase the amount of credits on the smart card. Thus, the system of Fernandez can operate without ever connecting to a central server. A central server is “redundant” and “not needed.”

Thus, the combination of Iannacci and the offline read / write point of sale terminals of Fernandez would render Iannacci unsuitable for its intended purpose. Because the central server is a necessary element of the system of Iannacci, Iannacci cannot be combined with the offline read / write point of sale devices of Fernandez. If the system of Iannacci used the read / write point of sale device of Fernandez, that could operate without ever connecting to central sever, the system of Iannacci would be unable to access updated incentive data and would not be able to apply incentives to a transaction. Simply stated, Iannacci requires connectivity to a central server while the read / write point of sale devices of Fernandez are designed to operate in a complete and permanent offline state.

Since modifying Iannacci with Fernandez in the manner proposed by the Examiner would have defeated the primary purposes of Iannacci, obviousness has not been established for this additional reason.

4. *Obviousness has not been established, since the reason to combine is not in the prior art.*

Lastly, obviousness has not been established, since the reason to combine is not in the prior art. As explained by the Court of Appeals for the Federal Circuit, the teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and must not be not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). MPEP 2142. Here, the alleged reason to combine “allow loyalty programs to run in standalone (i.e. offline) point of sale terminals, as taught by Fernandez in order to eliminate the necessity to maintain continuous contact or access between point of sale terminals and a central server when administering a loyalty program” is not suggested by the cited art. Accordingly, obviousness has not been established for independent claim 1.

B. Dependent Claim 6

Dependent claim 6 describes a method where portable device information on the portable consumer device is updated to indicate that the determined two or more incentives have been applied to the transaction. At page 5 of the final Office Action, the Examiner cites Iannacci in rejecting claim 6. However, this rejection is improper, for at least the following reasons.

Dependent claim 6 depends from dependent claim 3 which depends on independent claim 1, and is allowable for the same reasons as argued regarding claim 1, above. Claim 6 further recites updating the portable device information in the portable consumer device to indicate that the determined two or more incentives have been applied to the transaction. The Examiner argues on page 5 of the final Office Action that the limitation is taught at paragraphs 235-238, 314, and 334 of Iannacci. However, none of the cited paragraphs recite a portable consumer device, such as a credit card or smart card, nor do they recite updating portable device information to indicate that the determined two or more incentives have been applied to the transaction. Accordingly, obviousness has not been established for dependent claim 6.

C. Dependent Claim 81

Dependent claim 81 describes a method where two or more incentives applied to the transaction are associated with the same product. At page 19 of the final Office Action, the Examiner cites Iannacci in rejecting claim 81.

Dependent claim 81 depends from independent claim 1 and is allowable for the same reasons as argued regarding claim 1, above. Claim 81 further recites applying two or more incentives to the same product. The Examiner argues that the limitation is taught at paragraphs 314 of Iannacci. However, paragraph 314 merely recites a first incentive associated with detergent, a second incentive associated with pineapples, and points and discounts awarded to the transaction as a whole, regardless of the product purchased. Thus, the cited paragraph shows incentives targeted to different products, or the transaction as a whole regardless of the product. There is not two or more incentives directed to the same product that is applied to the transaction. Thus, the cited paragraph does not recite applying the two or more incentives to the same product. Accordingly, obviousness has not been established for dependent claim 81.

8. CONCLUSION

For these reasons, it is respectfully submitted that the rejection should be reversed.

Respectfully submitted,



Chia-Chi A. Li
Reg. No. 64,856

TOWNSEND and TOWNSEND and CREW LLP
Two Embarcadero Center, Eighth Floor
San Francisco, California 94111-3834
Tel: 415-576-0200
Fax: 415-576-0300

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9. CLAIMS APPENDIX

Claim 1. A method comprising:

determining a plurality of incentives, using a distribution channel, that are eligible for application to a transaction, the eligibility of each of the plurality of incentives is based on at least one product in the transaction, wherein each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the transaction, wherein the product identifier is a stock keeping unit (SKU);

determining, using the distribution channel, two or more incentives from the plurality of incentives to apply to the transaction, wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is redeemable in the transaction with another incentive; and

applying, using the distribution channel, the determined two or more incentives to the transaction,

wherein the distribution channel operates in an offline manner while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction.

Claim 3. The method of claim 1, further comprising:

communicating with a portable device to determine portable device information;
wherein determining the plurality of incentives comprises using the portable
device information to determine the plurality of incentives eligible for application to the
transaction.

Claim 4. The method of claim 3, wherein determining the two or more incentives
using the distribution channel also comprises using the determined portable device information
to determine the two or more incentives.

Claim 5. The method of claim 3, wherein using the determined portable device
information comprises comparing the portable device information with information associated
with the plurality of incentives to determine the plurality of incentives.

Claim 6. The method of claim 3, further comprising updating the portable device
information in the portable device to indicate that the determined two or more incentives have
been applied to the transaction.

Claim 9. The method of claim 1, wherein determining the two or more incentives
using the distribution channel comprises comparing the information for applying the determined
two or more incentives with transaction details for the transaction to determine the two or more
incentives.

Claim 10. The method of claim 1, further comprising calculating a total value for
the transaction using the distribution channel, wherein a collective value of the two or more
incentives when applied is equal to or less than the total value.

Claim 11. The method of claim 10, wherein applying the determined two or more incentives using the distribution channel comprises calculating a new total value based on the total value for the transaction less the value of the two or more incentives.

Claim 12. A comprising:

determining, using a distribution channel, a plurality of incentives that are eligible for a loyalty transaction, the eligibility of each of the plurality of incentives is determined based on at least one product in the transaction, wherein each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier, wherein the product identifier is a stock keeping unit;

calculating an incentive value for each of the plurality of incentives using the distribution channel;

determining, using the distribution channel, two or more incentives from the plurality of incentives to apply to the loyalty transaction based on the calculated incentive values for each of the plurality of incentives, wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive; and

applying, using the distribution channel, the determined two or more incentives to the loyalty transaction,

wherein the distribution channel operates in an offline manner while determining the plurality of incentives, calculating the incentive value, determining the two or more incentives, and applying the determined two or more incentives to the transaction.

Claim 14. The method of claim 12, wherein determining two or more incentives using the distribution channel comprises:

determining a highest incentive value from the calculated incentive values; and
wherein applying the determined two or more incentives comprises applying an incentive with the highest incentive value.

Claim 15. The method of claim 14, further comprising:

determining if the incentive with the highest incentive value allows the incentive to be combined with other incentives using the distribution channel; and
if the incentive does allow for combining, determining another incentive to apply to the loyalty transaction in addition to the incentive with the highest value using the distribution channel.

Claim 16. The method of claim 12, further comprising:

calculating a total value for the loyalty transaction using the distribution channel, wherein a collective value of the two or more incentives is equal to or less than the calculated total value.

Claim 17. The method of claim 16, wherein applying the determined two or more incentives using the distribution channel comprises calculating a new total value from the total value based on the determined two or more incentives.

Claim 18. The method of claim 17, further comprising outputting the new total value using the distribution channel.

Claim 19. The method of claim 12, further comprising:
communicating with a portable device to determine portable device information;
wherein determining the plurality of incentives also comprises using the portable device information to determine the plurality of incentives that are eligible for the loyalty transaction.

Claim 20. The method of claim 19, further comprising updating portable device information in the portable device to indicate that the two or more incentives have been applied to the loyalty transaction.

Claim 21. A method comprising:
communicating with a portable device to conduct a loyalty transaction, the loyalty transaction involving at least one product having a product identifier;
determining portable device information for the portable device;
determining a plurality of incentives that are eligible for the loyalty transaction, the eligible incentives determined based on the product identifier and the portable device

information, wherein at least two of the plurality of incentives are determined using the same product identifier, wherein the product identifier is a stock keeping unit;

determining two or more incentives from the plurality of incentives to apply to the loyalty transaction, wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive; and

applying the determined two or more incentives to the loyalty transaction,

wherein the distribution channel operates in an offline manner while determining the plurality of incentives, determining the two or more incentives, and applying the determined two or more incentives to the transaction.

Claim 24. The method of claim 21, wherein the information for applying comprises information indicating that an incentive having a nearest expiration date is to be applied.

Claim 25. The method of claim 21, wherein the information for applying comprises information indicating that a user preference is to be used to determine how to apply the two or more incentives.

Claim 26. The method of claim 21, wherein determining the two or more incentives comprises comparing the information for applying with transaction details for the loyalty transaction to determine the two or more incentives.

Claim 27. The method of claim 21, further comprising calculating a total value for the loyalty transaction, wherein a collective value of the two or more incentives when applied is equal to or less than the total value.

Claim 28. The method of claim 27, wherein applying the determined two or more incentives comprises calculating a new total value for the loyalty transaction based on the two or more incentives.

Claim 29. The method of claim 21, further comprising updating information in the portable device to indicate that the two or more incentives have been applied to the transaction.

Claim 42. A device for determining two or more incentives to apply to a loyalty transaction, the device comprising:

a communicator configured to receive a request to process a loyalty transaction involving at least one product associated with a product identifier;

a program determiner configured to determine a plurality of incentives that are eligible for application to the loyalty transaction, the eligibility of each of the plurality of incentives is based on at least one product identifier in the loyalty transaction, wherein each product in the transaction is associated with a product identifier that is used to determine the

plurality of incentives, wherein at least two of the plurality of incentives are determined using the same product identifier in the loyalty transaction, wherein the product identifier is a stock keeping unit;

an incentive selector configured to select two or more incentives from the plurality of incentives to apply to the loyalty transaction, wherein the selection of the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive; and

an incentive applier configured to apply the determined two or more incentives to the loyalty transaction,

wherein the device comprises computer hardware, and

wherein the device applies the two or more incentives to the loyalty transaction in an offline manner.

Claim 43. The device of claim 42, wherein the communicator is configured to communicate with a portable device to determine portable device information, the portable device information useable to determine the plurality of incentives or the selected two or more incentives.

Claim 44. The device of claim 42, wherein the communicator is configured to determine transaction details, the transaction details useable to determine the plurality of incentives or the selected two or more incentives.

Claim 45. The device of claim 42, further comprising an output configured to output a new total for the loyalty transaction based on the applied two or more incentives.

Claim 46. The device of claim 42, further comprising a database configured to store information for the plurality of loyalty programs, the information useable to determine the plurality of incentives or the selected two or more incentives.

Claim 47. The device of claim 42, wherein the communicator is configured to cause update information for the loyalty transaction to be written to a portable device.

Claim 48. A system for determining two or more incentives to apply to a loyalty transaction, the system comprising:

one or more portable devices, each portable device including portable device information; and

one or more distribution channels, at least one distribution channel comprising:

a communicator configured to communicate with a portable device in the one or more portable devices for a loyalty transaction involving at least one product associated with a product identifier and to determine portable device information associated with the portable device;

an incentive selector configured to determine two or more incentives from a plurality of incentives associated with the at least one product to apply to the loyalty transaction, wherein each product in the transaction is associated with a product identifier that is used to determine the plurality of incentives, and the two or more incentives determined based on at least one product identifier and the portable device information, wherein at least two of the plurality of incentives are determined using the same product identifier, wherein the product identifier is a stock keeping unit, and wherein determining the two or more incentives comprises determining an incentive parameter for each of the determined two or more incentives and using the incentive parameters to determine how the determined two or more incentives are to be applied to the transaction, wherein the incentive parameters comprise information indicating if an incentive is excluded from being redeemed in the transaction with another incentive; and

an incentive applier configured to apply the determined two or more incentives to the loyalty transaction,

wherein the distribution channel operates in an offline manner while determining the two or more incentives and applying the determined two or more incentives to the transaction.

Claim 49. The system of claim 48, wherein the at least one distribution channel further comprises a program determiner configured to determine the plurality of incentives associated with the at least one product.

Claim 50. The system of claim 48, further comprising a host configured to download information relating to the plurality of incentives to at least one distribution channel, wherein the information is useable to determine the two or more incentives.

Claim 51. The system of claim 50, wherein the information relating to the plurality of incentives comprises at least one of a rule based on a monetary value, a rule based on the at least one product and a user selection, a rule based on an expiration date, and a rule based on if an incentive in the plurality of incentives is combinable.

Claim 52. The method of claim 1, wherein the determined two or more incentives have a highest redemption value.

Claim 60. The method of claim 1, wherein determining using the distribution channel two or more incentives from the plurality of incentives to apply to the transaction comprises:

determining selection information; and
determining the two or more incentives using the selection information.

Claim 61. The method of claim 60, wherein the selection information comprises monetary values.

Claim 62. The method of claim 60, wherein the selection information comprises expiration dates.

Claim 63. The method of claim 1, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 64. The method of claim 12, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 65. The method of claim 21, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 68. The device of claim 42, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 69. The system of claim 48, wherein the two or more incentives are offered by at least two different sponsors, wherein each sponsor is associated with a different loyalty program.

Claim 76. The method of claim 3 wherein the portable device is a first phone and wherein the distribution channel comprises a second phone.

Claim 77. The method of claim 1 wherein the distribution channel comprises a physical point of sale device or a mobile device.

Claim 78. The method of claim 12 wherein the distribution channel comprises a physical point of sale device or a mobile device.

Claim 79. The method of claim 21 wherein the distribution channel comprises a physical point of sale device or a mobile device.

Claim 81. The method of claim 1 wherein the applying the determined two or more incentives to the transaction applies the two or more incentives to the same product.

Claim 82. The method of 12 wherein the applying the determined two or more incentives to the transaction applies the two or more incentives to the same product.

10. EVIDENCE APPENDIX

None.

11. RELATED PROCEEDINGS APPENDIX

None.